

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 24, 2019

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2018-00252

FREEDOM LIFE INSURANCE COMPANY
OF AMERICA,

Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Freedom Life Insurance Company of America ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-316 B of the Code of Virginia ("Code") by failing to comply with insurance application form filing requirements of the Commission; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; § 38.2-503 of the Code by making, publishing, disseminating, circulating, or placing before the public an advertisement which is untrue, deceptive or misleading; § 38.2-610 A (1) of the Code by failing to provide applicants with specific reasons for an adverse underwriting decision in the form approved by the Commission; § 38.2-610 A (2) of the Code by failing to give applicants a summary of the rights established under subsection B of § 38.2-610 and §§ 38.2-608 and 38.2-609; 14 VAC 5-90-60 B (6) of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance ("Rules"), 14 VAC 5-90-10, *et seq.*, by failing to state the limited nature of the policy in boldface type using the required language; 14 VAC 5-90-90 A of the Rules by failing to include the date of the

statistic used in the advertisement to support that the information accurately reflects all current and relevant facts; and 14 VAC 5-90-90 C of the Rules by failing to identify the source of the statistics used in the Defendant's advertisements.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in Bureau correspondence dated November 30, 2018, has tendered to Virginia the sum of Six Thousand Three Hundred Dollars (\$6,300) and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
 Erica Gibbs, Attorney, Legal Department, Freedom Life Insurance Company of America,
 300 Burnette Street, Suite 200, Fort Worth, Texas 76102-2734; and a copy shall be delivered to
 the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy
 Commissioner Julie S. Blauvelt.